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PROPERTY TAX

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Property taxes have played a major role in financing local governments since the early days of Illinois. In fact, until the depression in the 1930's, property taxes were the main source of funding for state government as well. Today property taxes are raised and spent locally to finance a major part of services which local government units provide to their citizens. The largest share of local property taxes goes to school districts. Other local governments sharing these taxes are counties, municipalities, park districts, townships and other special districts.

TEN QUESTIONS FREQUENTLY ASKED BY PROPERTY TAXPAYERS

1. How do I know if the assessor has put a fair value on my property?

A legal assessment for tax purposes on any parcel of property in any county except Cook is 33 1/3% of its market value, with the exception of farmland and farm-related buildings. Cook County classifies property and assesses classes at different percentages of market value. Details may be obtained from the Cook County Assessor's Office.

To determine whether your particular assessment is fair, you must know the market value of your property. This is defined as the price you would accept if a willing and able buyer would offer to purchase your property at today's prices. Secondly, you need to know the assessed value of your home. This may be obtained from the Supervisor of Assessments at your county courthouse. Dividing the assessed value of your property by its market value will give you the percentage of your assessment. By following this procedure for similar property in your area, you can compare your assessment to the average assessment level to determine if your property is overassessed.

2. How can I compare the assessed value of my property with the values of similar homes or farms in my area?

You have the right to inspect the assessor's records

for any parcel of property, as well as the records for your own property, subject to reasonable regulations set down by local officials. Also, every four years when all property is reassessed, a complete list of property assessments by township is published in each county.

3. Will I be notified if my assessment is going to be increased?

Yes. Any changes in real estate assessments must be published in a newspaper of general circulation in the county every year. Every four years, when all property is reassessed, a complete list of assessments must be published. In addition, taxpayers outside of Cook County must receive a mailed notice of any changes in their assessment from the previous year.

4. What can I do if I think my assessment is unfair?

You should file a complaint with the County Board of Review or Appeals. If you are dissatisfied with the Board's decision, you may pay your taxes under protest and take your complaint to court or, if your property is not located in Cook County, you may appeal the county's decision to the State Property Tax Appeal Board. Cook County residents who are dissatisfied with the Board of Appeals' decision may not take their appeal to the State Appeal Board, but they can take their complaint to court.

5. When I get my tax bill, is it too late to complain?

Generally yes, it is too late, unless you have already taken your complaint to the County Board of Review or the Cook County Board of Appeals.

6. What will happen if I don't pay my property taxes?

Your property may be sold by the county to recover the amount of the taxes due. If this is done, you may redeem your property for 2 1/2 years if it is your principal dwelling and has four or less units. Other property may be redeemed within two years. You will have to pay penalties and interest in

addition to any taxes due.

7. Is there any special legislation to protect property owners from rising property taxes?

In 1980, an exemption for owner-occupied residences was approved. The exemption equals the increase in equalized assessed valuation for 1979 and subsequent years over the equalized assessed value for that property for 1977, up to \$3,000. The county clerk adjusts the equalized valuation of each parcel before computing the tax bills.

Persons 65 years of age or older who own a home and live in it are also eligible to apply for a "homestead exemption" which reduces the equalized assessed value of their home by an additional \$1,500. Senior and disabled citizens also may be eligible for a refund from the state if their property taxes exceed a certain percentage of their income, under the "Circuit Breaker" legislation.

Other exemptions or preferential assessments may be granted for home maintenance and repair, home improvements, solar energy devices, and pollution control facilities. Information on these exemptions and assessments can be obtained from your county Supervisor of Assessments or the Cook County Assessor.

Legislation enacted in 1983 granted homeowners an income tax deduction for property taxes paid on their primary residence during that year.

8. How is farmland assessed?

A parcel of land used for agricultural purposes for two years is eligible for assessment under the farmland assessment law. The law allows farmland to be assessed based upon its economic productivity value rather than at 33 1/3% of its market value like other property. Economic productivity value is calculated in a formula which considers five year averages of prices paid for agricultural products, production costs, and interest rates charged by the Federal Land Bank. This data is processed into a figure

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which represents a net return to the land and ultimately the economic productivity value per acre for various grades of farmland.

These values are determined by the Department of Revenue in conjunction with a five member advisory panel consisting of representatives of state colleges of agriculture and representatives of federal and state agricultural agencies. The state certified values and the method of implementing the law are also subject to review by a five member local advisory board in each county.

County assessing officials value all farmland in the county based upon its productivity, taking into account the actual use of the land, slope, erosion, flooding, and other factors which would affect productivity.

The farm buildings are assessed at 33 1/3% of their contributory value to the productivity of the farm. Farm homesites and residences are to be assessed at 33 1/3% of their market value and are subject to equalization the same as other residential property.

9. Why are my taxes so high?

Your tax bill depends on two factors: 1) the assessment on your property and 2) the amount of money your local taxing districts need to operate during the upcoming year. The assessment on your property is set by local officials and is merely a method of fairly distributing the tax burden among all property owners in your community. The actual dollar amount of property tax you must pay is determined by the amount of money asked for by your local taxing bodies and school districts, subject to legal maximum limits.

These taxing bodies annually determine the amount needed to pay for the services they provide. Individual taxes are calculated to produce this total amount - - so, your tax bill can remain the same even if your assessment is increased - - and, on the other hand, your tax bill can increase even though the assessment remains the same.

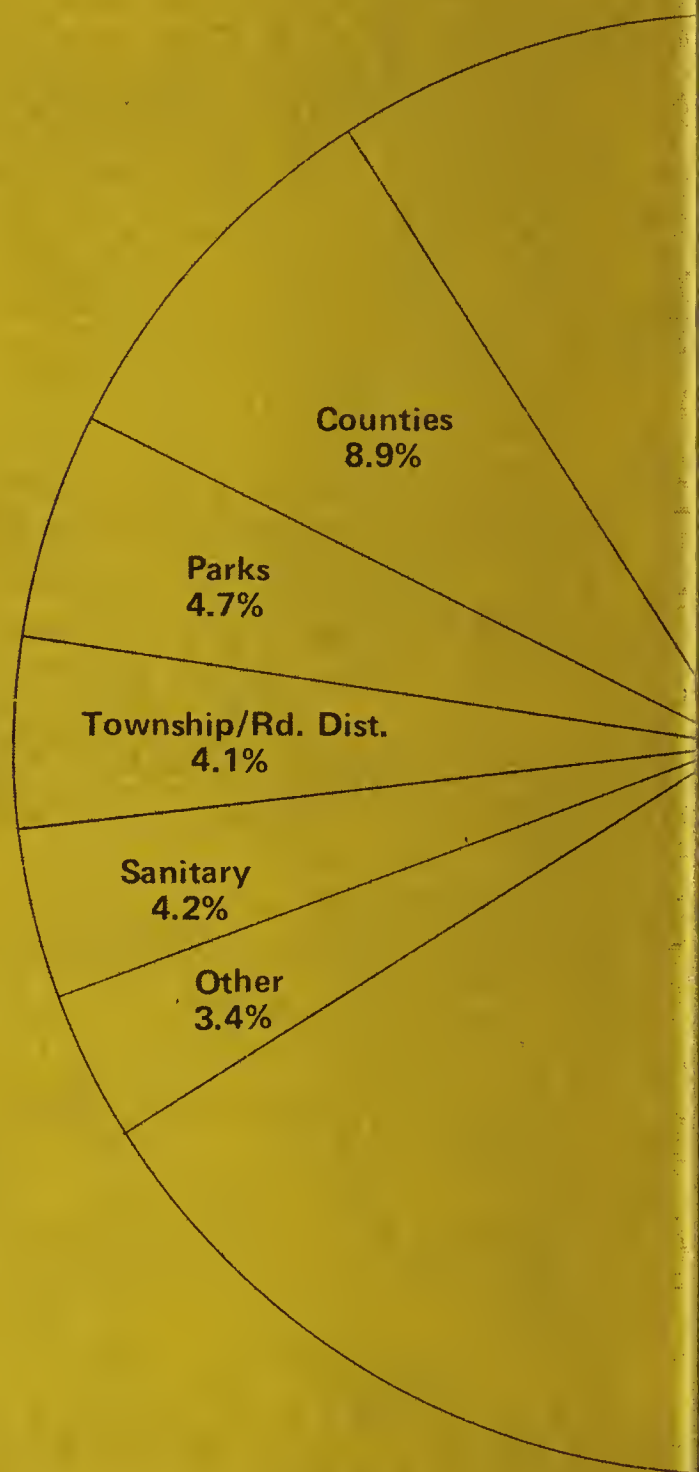


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10. Where do my property taxes go?

Revenue raised from the property tax supports a number of public services. The State of Illinois receives no property tax dollars. School districts, cities, counties, townships, and special districts receive the remainder.

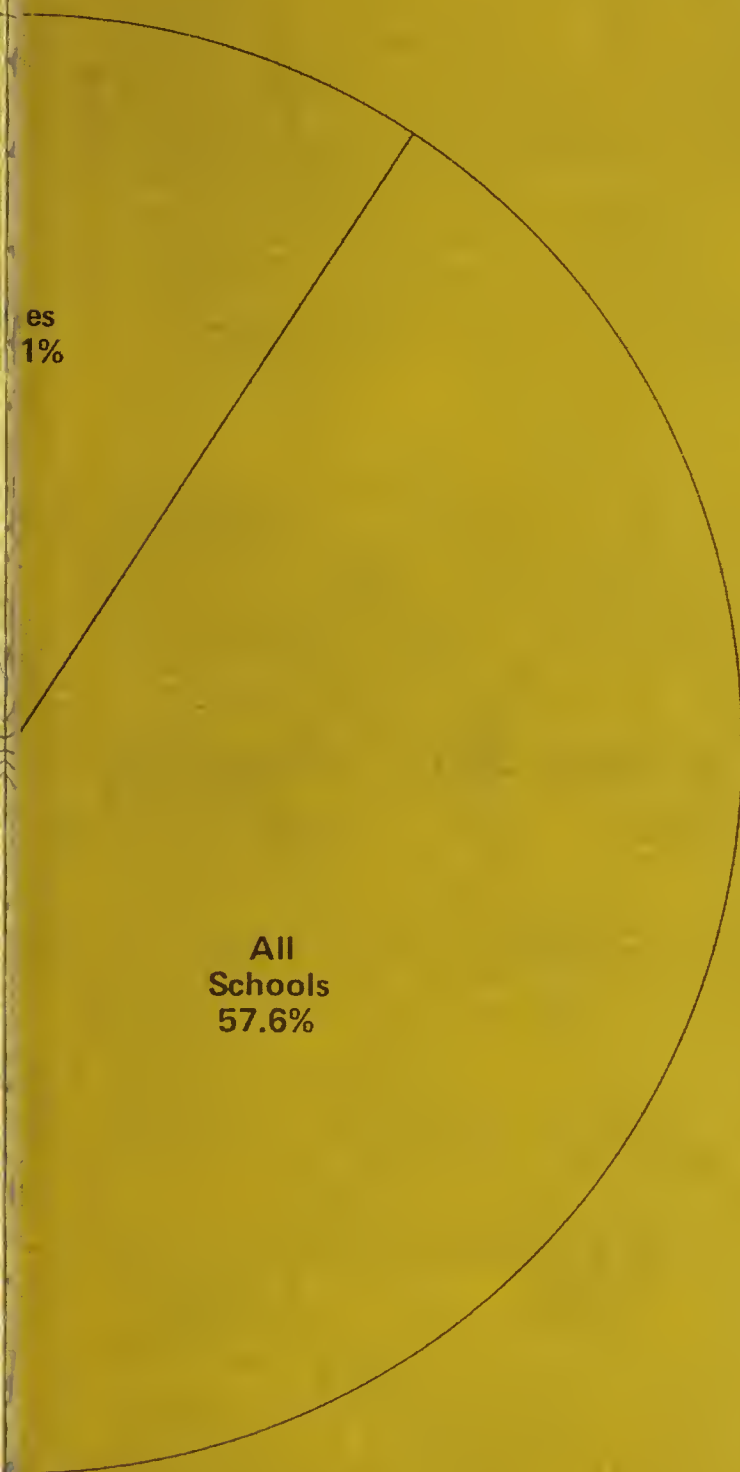
DISTRIBUTION OF



TOTAL PROPERTY TAXES
(Payable by property owner)
\$5,241

Approximately 6,800 units of local government in Illinois.
ers. Nearly 58 percent of your property tax goes to
ial purpose taxing districts other than school districts

PROPERTY TAXES



TAXES BILLED, 1981
(in 1982)
000,000

FOR ADDITIONAL INFORMATION:

Assessments: County Supervisor of Assessments
(Consult your local phone book)

In Cook County, Assessor's Office

Tax Bills: County Collector/Treasurer
(Consult your local phone book)

Appeals: 1. County Board of Review
(Consult your local phone book)

Cook County residents:
Assessor's Office — 443-7550
Board of Appeals — 443-5542

2. State Property Tax Appeal Board
303 East Monroe
Springfield, IL 62708
(217) 782-6076

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Illinois Department of Revenue

Property Tax Administration Bureau
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Springfield, Illinois 62708
(217) 782-6956

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